GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1401
ANSWERED ON:16.07.2004
EXPORT OF READYMADE GARMENTS
Athawale Shri Ramdas;Choudhary Shri Nikhil Kumar;Shakya Shri Raghuraj Singh

Will the Minister of TEXTILES be pleased to state:

(a) whether USA has indicated that export quota of readymade garments from India will be increased only after the marketing facility to American textile industries is provided on mutual basis in India;

(b) if so, reaction of the Government thereto; and

(c) the stand of the Government on `CENVAT` ?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) No, Sir. As per World Trade Organisation (WTO) Agreement on Textiles and Clothing (ATC), the quantitative restrictions (import quotas) would be completely phased out and textile sector fully integrated by 1st January 2005. All WTO Members including USA are bound by this obligation.

(b) Does not arise, in view of (a) above.

(c) To accelerate growth of the textile sector as also to increase its competitiveness, the Government in the Budget 2004-05, has provided substantial excise duty relief. Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain has been given excise exemption option. Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.